

**Governor's Bill 979, Public Hearing before Environment Committee 2/27/23**

*An Act Promoting Energy Affordability, Energy Efficiency, and Green Cities*

Testimony in support, with changes.

Submitted by:

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Co-Chairs Sen. Lopes and Rep. Gresko, Vice Chairs Sen. Hochadel and Rep. Palm, and Ranking Members Sen. Harding and Rep. Callahan,

Thank you for the opportunity to testify on Governor's Bill 979, *An Act Promoting Energy Affordability, Energy Efficiency, and Green Cities*. The City of New Haven supports the bill, particularly Section 2, which would establish an energy transparency requirement to give renters visibility into the energy costs associated with a rental unit, and Section 4, which would enable municipalities to adopt stretch building codes to require zero energy construction of new residential and commercial buildings.

I am grateful for the Commissioner and the Governor including these provisions to increase energy affordability and help cities such as New Haven reduce carbon emissions and local air pollution. These provisions are well aligned with the current review of Connecticut's comprehensive energy strategy, which has focused on building decarbonization. Sections 2 and 4 also align well with our Office's mission to implement climate mitigation and adaptation strategies that intersect with the immediate challenges facing our residents, one of which is finding safe and affordable housing. I urge the committee to favorably recommend SB 979 with some strengthening amendments to Sections 2 and 4, which will be the focus of my testimony.

I am supportive of Section 1, extending DEEP's authority to procure transmission to bring in clean energy, particularly from offshore wind. I am also supportive of Sections 5 and 6, in requiring electricians and plumbers to receiving training and continuing education on heat pumps, which are a keystone technology of building decarbonization efforts. While not the subject of this bill, it's important that the state ramp up invest in workforce development to accelerate the clean energy transition: more electricians, plumbers, energy efficiency technicians, insulators, solar installers, and other trades will be needed to achieve our clean energy goals. With regard to Section 7, I would urge the tree canopy cover goal to be increased dramatically. According to DEEP's assessment of New Haven's urban tree canopy based on 2008 data, many environmental justice census tracts in New Haven already have greater than 22% tree canopy coverage, making the 5% goal seem ineffectual.

Our office supports Section 2's proposed requirement of energy grades for rental units. Rising energy costs have sharply increased the affordability crisis for many Connecticut families, particularly lower income families who are most energy burdened. An energy grading requirement would help families seek out rentals with lower energy costs, protecting them from unexpectedly high energy bills, and create a positive market dynamic incenting landlords to implement energy efficiency improvements. By providing an energy grade in a manner consistent with nationally recognized standards like the Department of Energy's Home Energy Score and by requiring the Commission to receive public comments, Section 2 lays out a strong public process for conceiving an energy grading system that suits Connecticut well. Requiring the Commission to develop a public engagement and outreach campaign

after an energy grading system is adopted is equally important and should be included as a requirement with an associated budget as well.

It's important that the energy grading system be designed with the renter in mind. Making the grade easy for tenants to understand should be a key criterion for the system: New York City's letter-based energy grading system, which mirrors grading from the education system, immediately communicates the energy efficiency of commercial buildings. The landlord should be required to disclose a unit's energy grade to prospective tenants upfront before receiving an application fee. Exemptions regarding buildings built after 2000 or owner-occupied buildings will make the energy grading system less useful for renters and should be eliminated.

If the energy grading system does not rely on in-person energy audits, then the phase-in proposed in Section 2 should be eliminated, as it will make it infeasible to compare rentals across towns. Instead, the energy grading system should be implemented statewide on July 1<sup>st</sup> of 2025. While it's critical that municipalities have the authority to enforce through civil penalties, a mechanism for state-level enforcement would better protect renters and strengthen compliance.

The City of New Haven has sought to promote sustainable and energy efficient construction where possible through the mechanisms currently under its control. This piece by piece approach has largely relied on zoning incentives and individual development agreements. Giving municipalities such as New Haven the option of adopting a zero energy building code would empower cities and towns to make more comprehensive changes to new construction. Municipalities could choose to require more energy efficient construction across an entire type class of construction – either residential, commercial or both.

Ensuring that the next generation of buildings are constructed to the zero energy standard in the appendix of the International Energy Conservation Code would be a powerful lever to achieve state and municipal carbon emissions reduction goals. This is particularly true in municipalities like New Haven with large amounts of new construction. The next generation buildings built under a zero energy standard will reduce local air pollution, improve residents health, and increase the quality of our building stock.

It's important that whichever the zero energy code the state enables municipalities to adopt be practical for cities and developers to implement. For this reason, I recommend removing the requirement for new construction to offset all energy consumption with onsite or offsite renewable generation. I am appreciative of the spirit of this recommendation but concerned that it will prove impractical for developers and slow adoption by municipalities. Instead, the stretch code should aim to achieve a zero energy ready standard, which optimizes building performance and requires solar-ready infrastructure to ensure that most or all of a buildings energy demand can be met with renewable energy. This is the approach the Massachusetts stretch code has successfully adopted.

The zero energy code stretch code that the state allows municipalities to adopt should also include a strong preference or requirement for electrification. This will ensure that new construction contributes to residents' health and does not worsen local air pollution. As new grid-scale renewable resources come online, such as offshore wind, the emissions associated with all-electric construction will continue to decline. In 2021, the City of New Haven adopted a community electrification resolution, seeking electrifying New Haven's buildings and vehicles to achieve health and climate goals. This would be a key provision to help achieve our community electrification goals. The Massachusetts stretch code includes

preferences for building electrification, such as requiring a lower and more difficult-to-achieve Home Energy Rating score for buildings that continue to burn fossil fuels.

It's also critical that the stretch code require an accounting of a building's embodied carbon. The International Energy Agency estimates that 11% of global carbon emissions are attributable to the production of building materials, such as steel and cement. Accounting for a building's embodied carbon is the first step towards reducing its embodied carbon, making it a achievable and essential component of an energy efficient building code.

Effective adoption of a zero energy stretch code can be achieved by designing a process for stakeholder engagement and incentivizing adoption. Stakeholder engagement managed by the Office of the State Building Inspector and the Codes and Standards Committee should include an opportunity for public comment. In Massachusetts, adopting a zero energy stretch code is a key requirement for achieving Green Community designation and unlocking grant funding, again provides a model for how to implement a local stretch code option. Nearly 90% of Massachusetts residents now reside in Green Communities with better building codes.